



Saint Paul Planning Commission

City Hall Conference Center Room 40
15 Kellogg Boulevard West

Agenda

Christopher B. Coleman,
Mayor

September 10, 2010
8:30 – 11:00 a.m.

Saint Paul
Planning Commission

Chair
Kathi Donnelly-Cohen
First Vice Chair
Jon Commers
Second Vice Chair

Secretary
Marilyn J. Porter

Brian Alton
Pat Connolly
Anthony Fernandez
Gene Gelgelu
Bree Halverson
Richard Kramer
Paula Merrigan
Gaius Nelson
Anthony Schertler
Robert Spaulding
Terri Thao
Jun-Li Wang
Daniel Ward II
Barbara A. Wencil
David Wickiser
Roxanne Young

Planning Director
Donna Drummond

I. Approval of minutes of August 27, 2010 .

II. Chair's Announcements

III. Planning Director's Announcements

IV. Zoning Committee

SITE PLAN REVIEW – List of current applications. (*Tom Beach, 651/266-9086*)

OLD BUSINESS

#10-506-183 Sandra Belisle – Change of nonconforming use to add pet day care and boarding to existing pet grooming business. 360 Clifton Street, SE corner at Jefferson. (*Patricia James, 651/266-6639*)

V. Comprehensive Planning Committee

Currency Exchange/Industrial Loan and Thrift Study – Approve resolution recommending zoning code text amendments to the Mayor and City Council. (*Patricia James, 651/266-6639, and Ryan Kelley, 651/266-6562*)

VI. Neighborhood Planning Committee

VII. Parks and Recreation Project Updates – Informational presentation by Jody Martinez, Manager of Design and Construction, Saint Paul Parks and Recreation.

VIII. Transportation Committee

IX. Communications Committee

X. Task Force Reports

XI. Old Business

XII. New Business

XIII. Adjournment

Planning Commission Members: PLEASE call Sonja Butler, 651/266-6573, if unable to attend.

**Saint Paul Planning Commission &
Heritage Preservation Commission**
MASTER MEETING CALENDAR

WEEK OF SEPTEMBER 6-10, 2010

Mon (6) _____ **LABOR DAY HOLIDAY - OFFICE CLOSED**



Tues (7) _____

4:00-5:30 p.m. Comprehensive Planning Committee
(Penelope Simison, 651/266-6554)

Room 1106 – CHA
25 Fourth Street West

Currency Exchange/Industrial Loan and Thrift Study – Zoning Study of currency exchanges, industrial loan and thrift businesses, and other alternative financial establishments as directed by City Council Resolution 09-1349. Staff report and proposed text amendments. (Ryan Kelley, 651/266-6562 and Patricia James, 651/266-6639)

Central Corridor Zoning Study - Presentation and discussion of staff-recommended changes to the Traditional Neighborhood zoning district and suggested zoning changes in the Central Corridor. (Donna Drummond, 651/266-6556, and Sarah Zorn, 651/266-6570)

Weds (8) _____

Thurs (9) _____

5:00 p.m. Heritage Preservation Commission

Room 40 City Hall
Lower Level
Enter building on 4th Street
15 W. Kellogg Blvd.

Staff Announcements
August Design Review Statistics

Public Hearing/Permit Review/After-the-Fact Review

280 Maple Street, Dayton's Bluff Historic District, by owner, for a building permit to replace windows. Work was completed without a permit or HPC review. File #10-040 (Boulware, 651/266-6715)

587 Summit Avenue, Hill Historic District, by Pella Windows, for a building permit to replace thirty-five windows in one unit of the building. File #10-041 (Boulware, 651/266-6715)

289 Fifth Street East, Lowertown Historic District, by Topline Advertising, Inc., for a sign permit to install vinyl signage on nine windows and three doors. Two projecting signs were approved by staff. The window/door signage was installed without HPC review or a sign permit. File #10-042 (*Spong, 651/266-6714*)

Pre-Application Review

280 Fifth Street, Lowertown Historic District, by Alatus, Brian Gorecki, for preliminary review of a new, five-story, mixed-use brick building with parking below grade. (*Spong, 651/266-6714*)

255 Sixth Street East, Lowertown Historic District, Gleeson Architects, Dan Gleeson, for preliminary review for exterior alterations to the parking structure and enclosure of the first level for restaurant space. (*Spong, 651/266-6714*)

Committee Reports

Public Safety Building, 106 Process update (*Manning, Igo*)

3M Workgroups/Advisory Committee (*Trimble, Mazanec*)

Education Committee (*Ferguson, Thomas, Trout-Oertel*)

Fri (10)

8:30- Planning Commission Meeting
11:00 a.m. (*Donna Drummond, 651/266-6556*)

Room 40 City Hall
Conference Center
15 Kellogg Blvd.

Zoning..... SITE PLAN REVIEW – List of current applications. (*Tom Beach, 651/266-9086*)

OLD BUSINESS

#10-506-183 Sandra Belisle – Change of nonconforming use to add pet day care and boarding to existing pet grooming business. 360 Clifton Street, SE corner at Jefferson. (*Patricia James, 651/266-6639*)

Comprehensive Planning

Committee..... Currency Exchange/Industrial Loan and Thrift Study – Approve resolution recommending zoning code text amendments to the Mayor and City Council. (*Patricia James, 651/266-6639, and Ryan Kelley, 651/266-6562*)

Informational Presentation.... Parks and Recreation Project Updates – Informational presentation by Jody Martinez, Manager of Design and Construction, Saint Paul Parks and Recreation.

**Saint Paul Planning Commission
City Hall Conference Center
15 Kellogg Boulevard West**

Minutes August 27, 2010

A meeting of the Planning Commission of the City of Saint Paul was held Friday, August 27, 2010, at 8:30 a.m. in the Conference Center of City Hall.

Commissioners Present: Mmes. Donnelly-Cohen, Halverson, Porter, Smitten, Wang, Young; and Messrs. Alton, Commers, Connolly, Fernandez, Gelgelu, Kramer, Nelson, Spaulding, and Wickiser.

Commissioners Absent: Mmes. *Merrigan, *Thao, *Wencl, and Mr. *Schertler
*Excused

Also Present: Donna Drummond, Planning Director, Patricia James, Diane Nordquist, Janelle Tummel and Sonja Butler, Department of Planning and Economic Development staff.

I. Approval of minutes for August 13, 2010.

MOTION: *Commissioner Commers moved approval of the minutes of August 13, 2010. Commissioner Alton seconded the motion. The motion carried unanimously on a voice vote.*

II. Chair's Announcements

Chair Donnelly-Cohen announced that today is Kristina Smitten's last day on the Planning Commission and First Vice Chair Commissioner Commers read a resolution honoring Commissioner Smitten for her service on the Planning Commission.

MOTION: *Commissioner Alton moved approval of the resolution honoring Commissioner Smitten. Commissioner Commers seconded the motion. The motion carried unanimously on a voice vote.*

III. Planning Director's Announcements

Donna Drummond reported that on August 18th the City Council approved the application to rezone property at 2180-2186 Marshall Avenue from B2 Community Business to TN2 Traditional Neighborhood.

Also, the Upper Midwest Planning Conference is joining together with the Minnesota American Planning Association Conference on September 22-24, 2010 in Mankato. Ms. Drummond will be at the conference on Thursday, September 23rd speaking as part of a panel on women in the planning profession.

IV. Zoning Committee

SITE PLAN REVIEW – List of current applications. *(Tom Beach, 651/266-9086)*

Three items will come before the staff Site Plan Review Committee on August 31, 2010. They are: Trinity Church at 540 Hamline Avenue North for a proposed new parking lot; The Wedding Shoppe at 1205 Grand Avenue for a new office and parking lot; and Como Regional Park Pool at 1165 Lexington Pkwy North for pool replacement/improvements.

NEW BUSINESS

#10-614-375 Lilydale Regional Park – Conditional Use Permit to allow removal of contaminated and structurally deficient soil and replacement fill in the Floodway. 0 Annapolis Street West (Lilydale Park), North of Ramsey and Dakota County border, west of Chicago, Saint Paul, Minneapolis, and Omaha RR. *(Josh Williams, 651/266-6659)*

Commissioner Smitten said that she did not see a work plan regarding the timeline of when this work will be conducted, specifically related to the digging of the material that is contaminated and will be hauled off and how long the pits will be exposed. She is hoping this will not be done in the spring.

Alice Messer, Public Works staff said that construction will start this fall with the removal of the Marina dump site and then move to the asbestos site. The contract will be done by early December..

MOTION: *Commissioner Kramer moved the Zoning Committee's recommendation to approve the conditional use permit subject to additional conditions. The motion carried unanimously on a voice vote.*

V. Comprehensive Planning Committee

Amendment to the Redevelopment Plan for the Saint Paul Neighborhood Project Area – This is the fifth amendment to the Redevelopment Plan for the Saint Paul Neighborhood Project Area; the amendment is to the map for the Saint Paul Neighborhood Project Area. *(Amy Filice, 651/266-6568)*

Commissioner Commers said a revised staff report with more information on the project had been distributed. A map was included in the materials showing the amendment to the Saint Paul Neighborhood Project Area map. The project area follows the Central Corridor and this amendment will add two or three blocks to that area to include the Lofts at Farmers Market project site and make that project eligible for use of TIF proceeds that are collected from elsewhere in that district.

Donna Drummond, Planning Director, added that the action of the Planning Commission is taking is to determine if the expansion of the redevelopment area is consistent with the Comprehensive Plan and making that recommendation to the City Council and the HRA (Housing Redevelopment Authority).

MOTION: *Commissioner Commers moved on behalf of the Comprehensive Planning Committee to recommend approval of the resolution and forward on to the City Council and HRA for their consideration. The motion carried unanimously on a voice vote.*

Commissioner Commers announced the items on the agenda for the next two Comprehensive Planning Committee meetings on September 7, 2010 and September 21, 2010.

VI. Rebuild Saint Paul – An informational presentation about a new City initiative highlighting 15 building projects in Saint Paul, by Janelle Tummel, PED staff (651/266-6549).

Janelle Tummel, PED's Marketing and Public Relations Manager, gave a power point overview about Rebuild Saint Paul, which is a \$15 million development investment by the City that will leverage more than \$100 million in private investment and create more than 3,000 new jobs in Saint Paul. With Rebuild Saint Paul, the City is aggressively using a variety of local, state and federal financing tools to get projects off the drawing board and into the ground. The program will also serve as a way for the City to communicate with stakeholders and share information related to development and new construction projects. The public will soon begin to see Rebuild Saint Paul signage as projects get underway and a website has been established (www.stpaul.gov/rebuildstpaul).

Mayor Coleman launched Rebuild Saint Paul on Wednesday, August 18, 2010 with 15 initial projects. The projects were chosen because they use some sort of public investment, create jobs, and are near the Central Corridor Light Rail Transit or enhance planned, large infrastructure projects. Ms. Tummel provided an informational hand out containing a list of all the projects with their funding sources. Financing tools for the projects range from Traditional TIF to Build America Bonds to the Minnesota Jobs Bill that was passed this year.

Ms. Tummel talked briefly about each of the projects:

- The Lofts at Farmers Market is a new construction project and will consist of market rate housing and retail space. It will create about 40 construction jobs and 10 permanent jobs.
- The Penfield project includes a Lund's grocery store and six stories of market rate apartments.
- J & J Distributing Urban Farms will receive money to do an expansion of their facility that will create about 150 new jobs, and they will also add a green house on site to grow produce.
- Frogtown Square is a project in the works; it is commercial space and affordable senior housing units.
- Cossetta's will be expanding with a new addition to their current building with a bakery and meat market.
- Suite Living Care Clinic is a health clinic to be located next to the Suite Living Assisted Living facility.
- Westside Flats Apartments is a new construction project of mixed income housing and commercial.
- Hamm's Brewery is a proposed re-development, and there is a lot of work that needs to be done before it moves forward.
- Schmidt Brewery is a mixed-use urban village project that will include housing and commercial space, but there are still some details that need to be ironed out.

- Central Corridor Light Rail Transit is a big project and the public money from the City will fund streetscape betterments.
- Lafayette Bridge is a project that will use City money to create pedestrian, bicycle lanes and other enhancements.
- Cayuga Bridge is in the planning stage of being reconstructed and the City contribution will add pedestrian and bicycle enhancements.
- Como Aquatic Center will create a new swimming pool, tennis courts and parking making it a great recreational area.
- Payne Maryland Town Square will create a 36,000 square foot recreation center, library, multi-use facility with a park and parking.

Going forward the goal is that any project using \$300,000 or more of public funding will be branded under Rebuild Saint Paul. Everything is on the web site at www.stpaul.gov/rebuildstpaul. As new projects are added the web page will be updated.

Commissioner Fernandez asked for more information about the J & J Distributing project and Frogtown Square, which is being built now.

Ms. Tummel said that J & J Distributing is a local distribution company on Rice Street based here in Saint Paul. They distribute produce to grocery stores like Lund's, Cub and other local grocery stores in the area. Frogtown Square is a senior housing and retail commercial space on the bottom level, which is currently under construction.

Commissioner Wang said regarding the Lofts and Penfield projects, how is the balance between affordable and market rate housing decided?

Ms. Tummel said that of the 15 projects, 41% of the total housing units will be affordable. The Lofts and Penfield stand out because they are market rate. There are a variety of goals in place including goals stated in the Comprehensive Plan that says the City should meet certain levels of affordable housing and the City is exceeding those goals in total with these projects. Westside Flats, Schmidt, and Frogtown Square will all contain affordable housing.

Commissioner Nelson said that when a city comes in to invest money it is to bridge a gap, but for some of these projects like Suite Living Clinic nearly 25% of the total investment in the project is City money, which seems to be a lot more than just bridging a gap. He is curious on criteria with regards to projects like that where the City is virtually paying the down payment on the project.

Ms. Tummel said that while public assistance in private development to this extent may not be something the City traditionally has been involved in, we are facing a unique economic situation so the City is being creative in finding ways that they can get projects moving, create jobs and spur investment. Suite Living Care Clinic uses the Jobs Bill TIF which allows the City to pool TIF districts and to use that money to get these off the ground. Suite Living was chosen because it met the criteria of the Jobs Bill legislation, meaning it had to create jobs and it had to be able to start construction before July 2011 and the spending had to be complete by the end of 2011. Suite Living Care Clinic met the requirements and the project would not happen but for this assistance.

Commissioner Porter said that there has been some issues on the Frogtown Square Project relating to job creation for people of color, there were goals but the goals have not been met and

moving forward on these other projects are there some things in place to assure that those kinds of problems do not happen?

Ms. Tummel said she is not familiar with the Frogtown Square issue specifically, but they do have Section 3 and Targeted Vendor Outreach programs in place for some of the projects. Where Section 3 or Targeted Vendor Outreach is not specifically required by a project, the City is committed to meeting or exceeding their equal opportunity goals, ensuring small businesses, minority owned and women owned businesses have the opportunity to be involved in these projects.

(Subsequent to the meeting, Janelle Tummel provided the following additional information:

Frogtown Square Subcontractor Contracting	Small Business Enterprise	Women-owned Business Enterprise	Minority-owned Business Enterprise	Section 3
PROJECT GOALS	5%	5%	5%	10%
ACTUAL	22.0%	9.8%	15.6%	22%

- The City's Vendor Outreach Program will monitor over \$355 million in contracting opportunities for small businesses, including minority-owned and women-owned businesses generated by Rebuild Saint Paul projects.
- Through the City's Affirmative Action requirements, female workers and/or workers of color will earn over \$19 million in wages and fringe benefits.
- The City will monitor wage compliance requirements, ensuring that employees' rights to earn over \$101 million in prevailing wages are protected.)

VII. Neighborhood Planning Committee

None.

VIII. Communications Committee

None.

IX. Task Force Reports

Commissioner Spaulding reported that the Transportation Committee met on Monday, August 16, 2010 for the first time and they had a very good meeting talking about the general policy framework that guides transportation in the city. Staff from PED and Public Works led them through several upcoming projects that will be included in the scope of work for the committee. There is a lot of talent and interest around the table that will really help further their work in the coming years in a unique way to move forward on transportation issues

Commissioner Spaulding announced that the day after the Transportation Committee meeting on August 17, 2010 his wife gave birth to a baby boy named Tate and they both are doing great.

Commissioner Smitten said regarding the Smith Avenue Task Force, she would like to thank Commissioner Wencil for stepping up and taking over as co-chair of the task force. The next meeting will be on Tuesday, August 31, 2010 and the focus will be housing and parks. This will wrap up the required elements of the small area plan. Following that meeting there will be a discussion on branding for the corridor.

XI. Old Business

None.

XI. New Business

None.

XII. Adjournment

Meeting adjourned at 9:15 a.m.

Recorded and prepared by
Sonja Butler, Planning Commission Secretary
Planning and Economic Development Department,
City of Saint Paul

Respectfully submitted,



Donna Drummond
Planning Director

Approved _____
(Date)

Marilyn Porter
Secretary of the Planning Commission



CITY OF SAINT PAUL
Christopher B. Coleman, Mayor

375 Jackson Street, Suite 220
Saint Paul, Minnesota 55101

Telephone: 651-266-9090
Facsimile: 651-266-9124
Web: www.stpaul.gov/dsi

SITE PLAN REVIEW COMMITTEE
TUESDAY Sept 14, 2010
2nd Floor Conference Room
375 Jackson Street, Suite 218

Time Project Name and Location

9:30 Highland Park Golf Center and Putting Course called:
The First Tee Denny Sanford Highland Learning Center
New teaching facility building and putting greens
1403 Montreal Ave

To Applicants:

You should plan to attend this meeting.

At this meeting you will have a chance to discuss the site plan for your project with Saint Paul's Site Plan Review Committee. The Committee is made up of City staff from Zoning, Traffic, Sewers, Water, Public Works, Fire, and Parks. You are encouraged to bring your engineer, architect, or contractor with you to handle any technical questions raised by city staff.

The purpose of this meeting is to simplify the review process by letting the applicant meet with staff from a number of departments at one time. Staff will make comments and ask questions based on their review of the plans. By the end of the meeting you will know if the site plan can be approved as submitted or if revisions will be required. Staff will take minutes at the meeting and send you a copy.

Parking

Parking is available at on-street meters. Some off-street parking spaces are available in our visitor parking lot off of 6th Street at Jackson.

To see a map of additional nearby parking ramps go to
<http://www.ci.stpaul.mn.us/depts/dsi/liep/info/location.html>

If you have any questions, please call Mary Montgomery at 651-266-9088.

**AGENDA
ZONING COMMITTEE
OF THE SAINT PAUL PLANNING COMMISSION
Thursday, September 16, 2010 3:30 P.M.
City Council Chambers
Third Floor City Hall - Saint Paul, Minnesota**

NOTE: The order in which the items appear on this agenda is not necessarily the order in which they will be heard at the meeting. The Zoning Committee will determine the order of the agenda at the beginning of its meeting.

APPROVAL OF SEPTEMBER 2, 2010, ZONING COMMITTEE MINUTES

SITE PLAN REVIEW – List of current applications (Tom Beach, 651-266-9086)

NEW BUSINESS

- 1 10-797-728 2446 University appeal**
Appeal of a staff determination that 10 parking spaces on the east side of the building at 2446 University Avenue cannot be used or counted for zoning purposes because the only access to these parking spaces is across the adjacent property.
2446 University Ave W
B3
Tom Beach 651-266-9086

ADJOURNMENT

ZONING COMMITTEE MEMBERS: Call Patricia James at 266-6639 or Samantha Langer at 266-6550 if you are unable to attend the meeting.

APPLICANT: You or your designated representative must attend this meeting to answer any questions that the committee may have.



CITY OF SAINT PAUL
Christopher B. Coleman, Mayor

*25 West Fourth Street
Saint Paul, MN 55102*

*Telephone: 651-266-6700
Facsimile: 651-228-3220*

DATE: September 3, 2010
TO: Planning Commission
FROM: Zoning Committee
SUBJECT: Results of September 2, 2010 Zoning Committee Hearing

NEW BUSINESS

	<u>Staff</u>	<u>Recommendation</u> <u>Committee</u>
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1. **Sandra Belisle (10-506-183)**

Denial	Denial (4 - 1) (Wencl)
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Change of nonconforming use to add pet day care and boarding to existing pet grooming business

Address: 360 Clifton St
SE corner at Jefferson

District Comment: District 9 had not responded

Support: 1 person spoke, 1 letter

Opposition: 0 people spoke, 2 letters

Hearing: Hearing is closed

Motion: Denial



CITY OF SAINT PAUL
Christopher B. Coleman, Mayor

*25 West Fourth Street
Saint Paul, MN 55102*

*Telephone: 651-266-6562
Facsimile: 651-228-3314*

Date: August 24, 2010
To: Comprehensive Planning Committee
From: Ryan Kelley ryan.kelley@ci.stpaul.mn.us 651.266.6562
 Patricia James patricia.james@ci.stpaul.mn.us 651.266.6639
RE: **Currency Exchange Zoning Study**

Introduction

City Council Resolution 09-1349, adopted December 9, 2009, directed Saint Paul Planning and Economic Development (PED) to conduct a study regarding the zoning of currency exchanges after the City Council became aware of businesses similar to currency exchanges circumventing Saint Paul Municipal Code §381 and Zoning Code §65.512 by obtaining other state financial licenses. This resolution was enacted as an interim regulation placing a moratorium on the establishment of any new currency exchanges in the City.

City Council Ordinance 09-1386 was adopted January 13, 2010, enacting the moratorium on the issuance of any building or zoning permit or approval to open a currency exchange or industrial loan and thrift within the city. This ordinance directed PED to conduct a zoning study to determine whether the City's existing zoning regulations are adequate to regulate these uses and whether it is necessary to adopt new regulations. The moratorium will expire on December 8, 2010.

Regulatory Background

Currency Exchanges are defined in Minnesota Statute §53A. A zoning study regarding currency exchanges was completed in 1995. This study was in response to a 1992 change in the state statute implementing the procedure of notifying municipalities in which these businesses were applying for a license, thereby placing the decision for permission or denial with the city. The separation requirement of one-half mile between currency exchanges was also added to the statute at this time. The resulting zoning amendment also added a distance requirement of 100 feet between currency exchanges and residential districts or residential dwellings.

The city council passed ordinance 09-1386 in response to the discovery that businesses with operations similar to currency exchanges were obtaining an industrial loan and thrift license, which is not regulated by any City ordinance. This license allows a business to provide currency exchange services as well as provide loans, including loans often referred to as "payday loans". Businesses licensed as industrial loan and thrifts may also make larger loans, up to \$100,000, with regular payment plans similar to products provided by a federally chartered bank or savings institution.

Having identified the businesses that were obtaining industrial loan and thrift licenses, it was discovered that Saint Paul currently had no regulations regarding the establishment of payday loan lenders. Department of Commerce licenses were researched to determine what other licenses allowed either payday lending or currency exchange operations. Consumer small loan and regulated loan licenses were identified as licenses that could allow a business to operate as a payday loan lender.

Research Findings

The primary source of information for this study was provided by the Planning Advisory Service of the American Planning Association. The information consisted of reports regarding the operations of currency exchanges and “payday loan” lenders. There were also numerous examples of zoning regulations and ordinances from cities throughout the country. The Center for Responsible Lending was also used for data regarding “payday lending” in Minnesota.

In many of the research reports and zoning code examples, payday lenders and currency exchanges were regulated in the same ordinance. Such businesses are broadly referred to as “alternative financial establishments” in some codes; therefore this study includes such businesses for the proposed amendments to the zoning code.

Payday lenders typically offer small consumer loans, or payday loans, of amounts that range from \$100 to \$500. The full amount of the loan plus interest is typically due on the borrower’s next payday. The loans are typically secured by the borrower’s personal check or some form of electronic access to the borrower’s bank account. Because the lender has access to the customer’s financial account, they ensure that they get paid first, even if the person has other bills that must be met. This leads to the customer taking out another “payday loan” and a cyclical process of repeat loans begins.

Customers of these establishments typically do not have an account with a chartered and regulated financial institution such as a bank, credit union, or savings and loan corporation, or they may have a checking account at one of these institutions, but not qualify for that institution’s services such as short term loans. Nationally, the average “payday” loan amount is \$325¹, and in Minnesota the average is \$331². Finance charges are generally calculated as a fee per hundred dollars borrowed and is usually \$15 to \$30 per \$100 borrowed. In Minnesota these loans have a maximum APR on a two-week \$100 loan of 391%.¹ “American payday loan borrowers renew their loan an average of 8 times before being able to pay off the loan in full, consequently paying over \$800 for the original \$325 loan”.¹ Total payday loan volume in Minnesota for 2009 was \$76.5 million with \$58.1 million from renewed or rollover loans and \$17.2 million from payday lending fees paid annually.²

According to other cities identified in the information received from the Planning Advisory Service, these businesses have the potential to be harmful to the public welfare with respect to potential effects on the quality, aesthetics and functional aspects of the community. These cities have found that alternative financial establishments may be attractive to criminals

¹ Griffith, Hilton, Drysdale: Controlling the Growth of Payday Lending Through Local Ordinances and Resolutions. March 2010.

² Center for Responsible Lending. April 2010. www.responsiblelending.org/mortgage-lending/tools-resources/factsheets

seeking to commit robberies. Additionally, it has been found that when these businesses are clustered in an area or along an arterial street, this concentration creates a negative impression regarding the economic vitality of a commercial district and the surrounding community.

One of the six initiatives stated in the Economic Development Strategy, as described in the Introduction chapter of the Saint Paul Comprehensive Plan is business attraction. A proliferation of alternative financial establishments could have a negative impact on attracting a variety of new businesses.

With the increased potential for crime and the potential deleterious effects on the economic vitality of surrounding areas, limitations on the location of alternative financial establishments is consistent with the Saint Paul Comprehensive Plan and the general intent of the Saint Paul Zoning Code, especially "To promote and to protect the public health, safety, morals, aesthetics, economic viability and general welfare of the community."

Staff Recommendation

1. The current zoning code is specific only to currency exchanges and therefore does not regulate any of the other identified business types established under Department of Commerce licenses, some of which can operate in the same manner as currency exchanges. Staff recommends the following Zoning Code text amendments, with a broader use category and definition to include these other financial establishments, so as to fully realize the intent of the code to regulate such businesses. Consistency with pawnshop regulations was employed as these businesses have similar business operations and have been found to have similar effects on the public health, safety, and welfare.
2. The required public hearing on these amendments can be held by the City Council. Staff recommends that the Planning Commission review the draft amendments and make its recommendation to the City Council without a separate Planning Commission public hearing so that the City Council can take action on the amendments before the moratorium expires.
3. The existing state statute for currency exchanges specifies that the Department of Commerce must notify the local governing body when an application for a currency exchange license is made. The local government then has 60 days to review the request, hold a public hearing, and notify the Department if the application is approved or not. The Department may not approve a currency exchange license without the concurrence of the local governing body. There is no similar statutory provision for the other types of financial establishments proposed to be included in the amendments, which presents an administrative and enforcement issue for local regulation of these uses. Staff therefore also recommends that the Mayor and City Council work with the city's legislative delegation to add a similar provision to the statutes governing consumer small loan, industrial loan and thrift, and regulated loan establishments.

Proposed Zoning Text Amendments

1. That Sections 65.511 and 65.512 be amended as follows:

~~Sec. 65.511~~ **65.512. Business sales and services.**

~~Sec. 65.512~~ **65.511. Currency Exchange Alternative financial establishment.**

~~Currency Exchange, as defined in Minnesota Statutes section 53A.01, means any person, except a bank, trust company, savings bank, savings and loan association, credit union, or industrial loan and thrift company, engaged in the business of cashing checks, drafts, money orders or travelers' checks for a fee. A person, firm, association, corporation or partnership engaged in the business or service of check-cashing or making loans to be repaid in one lump sum or in installments over a set period of time, either collateralized or not, for which there is a fee or service charge, or interest received, including but not limited to loans collateralized by personal check, payroll check, wage assignment or personal property title, or collateralized with the promise to relinquish possession of any personal property upon default. Alternative financial establishment includes but is not limited to consumer small loan companies, currency exchanges, industrial loan and thrifts, and regulated loan companies, as defined and licensed by the Minnesota Department of Commerce. Alternative financial establishment does not include federal or state chartered banks, credit unions, or savings banks, nor does it "Currency Exchange" does not include a person or firm that provides the service of cashing checks, drafts, money orders, or travelers' checks for a fee, incidental to the person's primary business, if the charge for cashing a check or draft does not exceed one dollar (\$1.00) or one (1) percent of the value of the check or draft, whichever is greater.~~

[This change is to encompass the various businesses operating in similar practice as currency exchanges. The new definition is more comprehensive to include the various business practices potentially engaged in by these establishments, and may be more effective in regulating such businesses by identifying the business practice and not just a Department of Commerce license]

Standards and conditions:

- (a) ~~The currency-exchange alternative financial establishment business shall be located at least one hundred-fifty (150) (100) feet from any lot in a residential district or lot occupied with a one-, two-, or multiple-family dwelling, measured in a straight line from the closest point of the building in which the business is or is to be located to the closest point of the residential property line.~~
- (b) ~~No alternative financial establishment shall be located within (2,640) feet of another alternative financial establishment, measured from the nearest building wall of the existing establishment to the nearest building wall of the proposed use, or if there is no building, to the nearest lot line of the proposed use.~~
- (c) ~~No alternative financial establishment shall be located within (1320) feet from any pawnshop, liquor store, gun shop as defined in Saint Paul Code §65.520, drug treatment facility, transitional housing, sober house, community residential facility, grade K-12 school, or house of worship.~~

[The distance of (150) feet is consistent with the current zoning regulation regarding pawn shops. Since these uses have similar impacts on commercial areas, it makes sense for both of them to have the same distance requirement. The distance of (2,640) feet is consistent with the Commerce Department regulation regarding currency exchanges. The 1320 ft. distance between these establishments and other uses provides enough distance between businesses to address the issue of clustering while still permitting a variety of alternative locations.]

2. That Table 66.421 be amended as follows:

Table 66.421. Principal Uses in Business Districts

Use	OS	B1	BC	B2	B3	B4	B5	Development standards
...								
Retail Sales and Services								
General retail		P	P	P	P	P	P	
<u>Alternative financial establishment</u>					<u>C</u>	<u>P</u>	<u>P</u>	✓
Bank, credit union	P	P	P	P	P	P	P	
Business sales and services					P	P	P	
Currency exchange					C	P	P	✓
...								

3. That Table 66.521 be amended as follows:

Table 66.521. Principal Uses in Industrial Districts

Use	IR	I1	I2	I3	Development Standards
...					
Retail Sales and Services					
General retail	P	P	P		
<u>Alternative financial establishment</u>		<u>C</u>	<u>P</u>		✓
Bank, credit union	P	P	P		
Business sales and services	P	P	P		
Currency exchange		P	P		✓
...					

[Making this use a conditional use in the I1 district is consistent with the treatment of pawn shops.]

APPENDIX I

Existing Regulations for Currency Exchanges

Minnesota Statute

State statute §53A governs currency exchanges within Minnesota. The definition of a currency exchange is as follows:

53A.01 DEFINITIONS.

Subdivision 1. Currency exchange. "Currency exchange" means any person, except a bank, trust company, savings bank, savings association, credit union, or industrial loan and thrift company, engaged in the business of cashing checks, drafts, money orders, or travelers' checks for a fee. "Currency exchange" does not include a person who provides these services incidental to the person's primary business if the charge for cashing a check or draft does not exceed \$1 or one percent of the value of the check or draft, whichever is greater.

The licensing and approval for the establishment of currency exchanges is as follows:

53A.02 LICENSE.

Subdivision 1. Requirement.

A person may not engage in the business of a currency exchange without first obtaining a license from the commissioner. Not more than one place of business may be operated under the same license, but the commissioner may issue more than one license to the same licensee upon compliance by the applicant with all the provisions of this chapter for each new license issued.

Subd. 2. Distance limitation.

No license may be issued or renewed under this chapter if the place of business to be operated under the license is located or proposed to be located within one-half mile of another licensed currency exchange. The distance limitation imposed by this subdivision is measured by a straight line from the closest points of the closest structures involved.

Subd. 3. Prohibition.

A licensee may not contract with another person or business entity to manage the currency exchange business. This subdivision does not prohibit the licensee from employing persons to operate a currency exchange facility.

The statute further stipulates that the approval or denial of the license is determined by the municipality in which the business is proposed to be located.

53A.04 APPROVAL OR DENIAL OF AN APPLICATION.

(a) Within 30 days after the receipt of a complete application, the commissioner shall deny the application or submit the application to the governing body of the local unit

of government in which the applicant is located or is proposing to be located. The commissioner may not approve the application without the concurrence of the governing body. The governing body shall give published notice of its intention to consider the issue and shall solicit testimony from interested persons, including those in the community in which the applicant is located or is proposing to be located. If the governing body has not approved or disapproved the issue within 60 days of receipt of the application, concurrence is presumed. The commissioner must approve or disapprove the application within 30 days from receiving the decision of the governing body. The governing body shall have the sole responsibility for its decision. The state shall have no responsibility for that decision.

(b) If the application is denied, the commissioner shall send by mail notice of the denial and the reason for the denial to the applicant at the address contained in the application. If an application is denied, the applicant may, within 30 days of receiving the notice of a denial, request a contested case hearing pursuant to chapter 14; provided that if the denial is based upon the refusal of the governing body to concur the governing body must afford the applicant a hearing. The applicant shall have no right to the hearing provided for in this section if the denial is based upon the governing body's refusal to concur but shall have a hearing before the governing body.

(c) This section applies to initial applications and renewal applications.

(d) The state shall have no responsibility for the action of the governing body.

Saint Paul Municipal Code

Licensure: Municipal Code §381

Municipal Code §381 governs the licensure of currency exchanges within the city of Saint Paul. This code adheres to the Minnesota Statute indicated above and further delineates the process of licensing and basis for approval or denial.

Sec. 381.02. Procedures; hearing; fee.

(a) *Procedures.* Upon receipt of a completed application from the commissioner of commerce for a new license, the matter shall be referred to the department of safety and inspections for investigation of the application. Published notice shall be given of the receipt of the application, and notice shall also be given to the affected neighborhood groups, giving them fifteen (15) days to respond with any objections to issuance of the license. If no objections are received to the issuance of the license, the department of safety and inspections shall recommend issuance of the license to the commissioner of commerce. In the event objections are raised to the issuance of the license, the applicant is entitled to a hearing as set forth below.

The code then continues by outlining the process for a hearing, renewal licenses, and fee structure. The municipal code refers to the state statute to define currency exchanges.

Zoning: Municipal Code §65.512

The zoning code of the City of Saint Paul again refers to Minnesota state statute for the definition of currency exchanges. The zoning code places an additional stipulation on the establishment of currency exchanges by specifying the distance they may be located from residentially zoned properties, which is in addition to the state statute proximity restriction of ½ mile between currency exchanges.

Section 65.512. Currency Exchange.

Currency Exchange, as defined in Minnesota Statutes section 53A.01, means any person, except a bank, trust company, savings bank, savings and loan association, credit union, or industrial loan and thrift company, engaged in the business of cashing checks, drafts, money orders or travelers' checks for a fee. "Currency Exchange" does not include a person who provides these services incidental to the person's primary business if the charge for cashing a check or draft does not exceed one dollar (\$1.00) or one (1) percent of the value of the check or draft, whichever is greater.

Standards and conditions:

The currency exchange business shall be located at least one hundred (100) feet from any lot in a residential district or lot occupied with a one-, two-, or multiple-family dwelling, measured from the closest point of the building in which the business is located to the closest residential property line.

Furthermore, currency exchanges are currently only permitted in zones B4, B5, I1 and I2 and are conditionally permitted in zone B3.

APPENDIX II

Minnesota Definitions of Types of Alternative Financial Establishments

As defined in Minnesota Statute:

§47.60 CONSUMER SMALL LOANS.

Subdivision 1. Definitions.

For purposes of this section, the terms defined have the meanings given them:

- (a) "Consumer small loan" is a loan transaction in which cash is advanced to a borrower for the borrower's own personal, family, or household purpose. A consumer small loan is a short-term, unsecured loan to be repaid in a single installment. The cash advance of a consumer small loan is equal to or less than \$350. A consumer small loan includes an indebtedness evidenced by but not limited to a promissory note or agreement to defer the presentation of a personal check for a fee.

As defined by the Minnesota Department of Commerce:

INDUSTRIAL LOAN & THRIFT COMPANIES

These Minnesota corporations are formed for the purpose of conducting the business of loaning money to people. These institutions also may apply for the right to issue thrift certificates for investment (similar to a deposit) upon application to determine reasonable demand for and probable volume of business to ensure solvency of the applying institution as well as already existing financial institutions in the area. Thrift certificates (deposits) must be insured by the FDIC to the extent of the insurance offered by that agency. See Minnesota Statutes, Chapter 53.

These companies are required to be licensed in Minnesota.

REGULATED LOAN COMPANIES

Regulated Loan Companies make consumer loans, up to \$100,000, and are frequently referred to as finance companies. See MS Chapter 56.001 to 56.26.

These companies are required to be licensed in Minnesota.

city of saint paul
planning commission resolution
file number _____
date _____

Currency Exchange Zoning Study

WHEREAS, City Council Resolution 09-1349, adopted December 9, 2009, enacted a moratorium on the establishment of any new currency exchanges in the City and directed the Saint Paul Planning and Economic Development (PED) department to conduct a study of the effectiveness of current zoning regulations regarding currency exchanges; and

WHEREAS, City Council Ordinance 09-1386, adopted January 13, 2010, enacted a moratorium on the issuance of any building or zoning permit or approval to open a currency exchange or industrial loan and thrift within the city until December 8, 2010 when the moratorium is set to expire; and

WHEREAS, the Saint Paul Planning Commission has reviewed the study and report of PED staff regarding the current regulation of currency exchanges in §65.512 as well as other similar types of uses as required by Minnesota Statutes Chapter 462 Subd. 4; and

WHEREAS, the study has found that businesses that operate in a manner similar to currency exchanges have obtained licenses from the Minnesota Department of Commerce and that these similar businesses are not regulated by the current zoning ordinance; and

WHEREAS, the study also found that these businesses have a similar effect on the public health, safety, morals and general welfare as do currency exchange and pawn shop businesses, and that numerous other cities in the United States have developed a range of regulations to limit the location of these establishments to protect the public health, safety, morals, and general welfare of their communities;

NOW, THEREFORE, BE IT RESOLVED, that the Saint Paul Planning Commission hereby finds that regulation of the location of consumer small loan companies, industrial loan and thrifts, motor vehicle finance companies, regulated loan companies, and similar businesses in a manner consistent with currency exchange and pawn shop businesses would more fully realize the intent and purpose of the zoning code as established in Sec. 60.103, including the promotion and protection of the public health, safety, morals, and general welfare; and

BE IT FURTHER RESOLVED, that the Saint Paul Planning Commission recommends to the Mayor and City Council that the following proposed amendments to the Saint Paul Zoning Code be adopted.

moved by _____
seconded by _____
in favor _____
against _____

Currency Exchange Zoning Study

Sec. ~~65.511~~ 65.512. Business sales and services.

Sec. ~~65.512~~ 65.511. Currency Exchange Alternative financial establishment.

Currency Exchange, as defined in Minnesota Statutes section 53A.01, means any person, except a bank, trust company, savings bank, savings and loan association, credit union, or industrial loan and thrift company, engaged in the business of cashing checks, drafts, money orders or travelers' checks for a fee. Any person, firm, association, corporation or partnership engaged in the business or service of check-cashing or making loans to be repaid in one lump sum or in installments over a set period of time, either collateralized or not, for which there is a fee or service charge, or interest received, including but not limited to loans collateralized by personal check, payroll check, wage assignment or personal property title, or collateralized with the promise to relinquish possession of any personal property upon default. Alternative financial establishment includes but is not limited to consumer small loan companies, currency exchanges, industrial loan and thrifts, motor vehicle finance companies, and regulated loan companies, as defined and licensed by the Minnesota Department of Commerce. Alternative financial establishment does not include federal or state chartered banks, credit unions, or savings banks, nor does it "Currency Exchange" does not include a person or firm that provides the service of cashing checks, drafts, money orders, or travelers' checks for a fee, incidental to the person's primary business, if the charge for cashing a check or draft does not exceed one dollar (\$1.00) or one (1) percent of the value of the check or draft, whichever is greater.

Standards and conditions:

- (a) The ~~currency exchange~~ alternative financial establishment business shall be located at least one hundred-fifty (150) (100) feet from any lot in a residential district or lot occupied with a one-, two-, or multiple-family dwelling, measured in a straight line from the closest point of the building in which the business is or is to be located to the closest point of the residential property line.
- (b) No alternative financial establishment shall be located within (2,640) feet of another alternative financial establishment, measured from the nearest building wall of the existing establishment to the nearest building wall of the proposed use, or if there is no building, to the nearest lot line of the proposed use.

Table 66.421. Principal Uses in Business Districts

Use	OS	B1	BC	B2	B3	B4	B5	Development standards
...								
Retail Sales and Services								
General retail		P	P	P	P	P	P	
<u>Alternative financial establishment</u>					<u>C</u>	<u>P</u>	<u>P</u>	✓
Bank, credit union	P	P	P	P	P	P	P	
Business sales and services					P	P	P	
Currency exchange					C	P	P	✓
...								

Currency Exchange Zoning Study

Table 66.521. Principal Uses in Industrial Districts

Use	IR	I1	I2	I3	Development Standards
...					
Retail Sales and Services					
General retail	P	P	P		
<u>Alternative financial establishment</u>		<u>C</u>	<u>P</u>		✓
Bank, credit union	P	P	P		
Business sales and services	P	P	P		
Currency exchange		P	P		✓
...					